
UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington D.C. 20549

Form 6-K

**REPORT OF FOREIGN PRIVATE ISSUER PURSUANT TO RULE 13A-16 OR 15D-16
UNDER THE SECURITIES EXCHANGE ACT OF 1934**

For the month of August 2023
Commission File Number: 001-33129

ALLOT LTD.

(Translation of registrant's name into English)

22 Hanagar Street
Neve Ne'eman Industrial Zone B
Hod-Hasharon 45240
Israel
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F.

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to Rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If "Yes" is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b): 82- _____

EXPLANATORY NOTE

On August 31, 2023, Allot Ltd. issued a press release announcing the Second Quarter 2023 Financial Results and Cost Reduction Plan.

A copy of the press release entitled "Allot Announces Second Quarter 2023 Financial Results and Cost Reduction Plan" is attached to this Form 6-K as Exhibit 99.1.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

Allot Ltd.

By: /s/ Ziv Leitman
Ziv Leitman
Chief Financial Officer

Date: August 31, 2023

EXHIBIT INDEX

The following exhibit has been filed as part of this Form 6-K:

<u>Exhibit Number</u>	<u>Description</u>
99.1	Allot Announces Second Quarter 2023 Financial Results and Cost Reduction Plan



Allot Announces Q2 2023 Financial Results and Cost Reduction Plan

Hod Hasharon, Israel – August 31, 2023 – Allot Ltd. (NASDAQ: ALLT, TASE: ALLT), a leading global provider of innovative network intelligence and security solutions for service providers and enterprises worldwide, today announced its unaudited financial results for the second quarter ended June 30, 2023.

Q2 Financial Highlights

- Second quarter revenues were \$25.0 million;
- SECaaS revenues were \$2.4 million; June 2023 SECaaS ARR* was \$9.7 million;
- Second quarter GAAP operating loss was \$21.5 million, and non-GAAP operating loss was \$18.9 million, including a provision of \$14.1 million for credit losses from two customers in Africa;
- Q2 GAAP net loss was \$20.7 million, and non-GAAP net loss was \$18.3 million;

As we pre-announced on July 17, 2023, during the quarter, the company booked an allowance for credit losses related to past due receivables previously disclosed by the company arising from sales in two African countries and certain additional sales that occurred in the fourth quarter of 2022 in another African country. Allot has been assessing the collectability of its accounts receivable on a quarterly basis. In connection with its most recent assessment, the company determined that certain accounts previously disclosed as outstanding will not, with reasonable certainty, be collected, based on recent communications from the contractual counterparties and other factors including the passage of time.

Financial Outlook

Looking ahead, management updates its financial expectations as follows:

- Full-year 2023 revenues of \$95 million to \$110 million (of which SECaaS revenues are expected to be approximately \$11 million);
- Full year 2023 operating loss of between \$38 million and \$44 million (includes a \$14.1 million provision for credit losses from two customers in Africa);
- Full year 2023 negative cash flow of between \$24 million and \$44 million;
- December 2023 total ARR*, including SECaaS ARR* and Support & Maintenance ARR*, is expected to be between \$51 million and \$55 million;
- Reiterates expectations to be profitable in 2024;

Management Comment

Erez Antebi, President & CEO of Allot, commented, "We believe that our strategy of transforming our business towards a recurring SECaas revenue model will drive sustainable profitable growth and long-term shareholder value. However, the conversion of won SECaas deals to paying subscribers continues to take longer than expected, and SMART is experiencing lower revenues in light of continued challenging economic conditions. We are committed to our target of reaching profitability in 2024 through the growth of the SECaas business, combined with tight expense control. As we strive toward our goal of driving profitable growth, we are implementing a cost reduction plan which we expect will reduce our yearly expenses by approximately \$15 million."

Q2 2023 Financial Results Summary

Total revenues for the second quarter of 2023 were \$25.0 million, a decrease of 24% compared to \$32.8 million in the second quarter of 2022.

Gross profit on a GAAP basis for the second quarter of 2023 was \$17.3 million (gross margin of 69.2%), a 23% decline compared with \$22.5 million (gross margin of 68.7%) in the second quarter of 2022.

Gross profit on a non-GAAP basis for the second quarter of 2023 was \$17.9 million (gross margin of 71.4%), a 22% decline compared with \$23 million (gross margin of 70.2%) in the second quarter of 2022. The gross margin level in the current quarter was impacted by a one-time favorable product mix.

Net loss on a GAAP basis for the second quarter of 2023 was \$20.7 million, or \$0.55 per basic share, compared with a net loss of \$6.2 million, or \$0.17 per basic share, in the second quarter of 2022. The increase in net loss this quarter is due to the credit loss expense described above.

Net loss on a non-GAAP for the second quarter of 2023 was \$18.3 million, or \$0.49 per basic share compared with a non-GAAP net loss of \$4.2 million, or \$0.11 per basic share, in the second quarter of 2022. The increase in net loss this quarter is due to the credit loss expense described above.

Cash, short-term bank deposits and investments as of June 30, 2023, totaled \$65.9 million, compared to \$86.4 million as of December 31, 2022.

<u>ARR - U.S. dollars in millions (Unaudited)</u>	<u>Dec. 2021</u>	<u>Dec. 2022</u>	<u>Dec. 2023 target</u>	<u>2022 vs. 2021</u>	<u>2023 (target) vs. 2022</u>
Support & maintenance ARR *	42.0	42.5	39-41	1%	(8%)-(4%)
SECaS ARR **	5.2	9.2	12-14	77%	30%-52%
Total ARR	47.2	51.7	51-55	10%	(1%)-6%

* Support & Maintenance ARR measures the current annual run rate of the support & maintenance revenues, which is calculated based on these expected revenues in the fourth quarter and multiplied by 4.
** SECaS ARR measures the current annual run rate of the SECaS revenues, which is calculated based on these expected revenues in the month of December and multiplied by 12.

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Conference Call & Webcast:

The Allot management team will host a conference call to discuss its second quarter 2023 earnings results today, August 31, 2023 at 8:30 am ET, 3:30 pm Israel time. To access the conference call, please dial one of the following numbers:

US: 1-888-642-5032, UK: 0-800-917-5108, Israel: +972-3-918-0610

A live webcast and, following the end of the call, an archive of the conference call, will be accessible on the Allot website at: <http://investors.allot.com/index.cfm>

About Allot

Allot Ltd. (NASDAQ: ALLT, TASE: ALLT) is a provider of leading innovative network intelligence and security solutions for service providers and enterprises worldwide, enhancing value to their customers. Our solutions are deployed globally for network and application analytics, traffic control and shaping, network-based security services, and more. Allot's multi-service platforms are deployed by over 500 mobile, fixed and cloud service providers and over 1,000 enterprises. Our industry leading network-based security as a service solution is already used by many millions of subscribers globally. Allot. See. Control. Secure.

For more information, visit www.allot.com

Performance Metrics

* Total ARR - Support & Maintenance ARR (measures the current annual run rate of support & maintenance revenues, which is calculated based on the revenues for the second quarter of 2023 and multiplied by 4) and SECaS ARR (measures the current annual run rate of the SECaS revenues), which is calculated based on the revenues in the month of June 2023 and multiplied by 12.

GAAP to Non-GAAP Reconciliation:

Non-GAAP net income is defined as GAAP net income after excluding stock-based compensation expenses, amortization of acquisition-related intangible assets, deferred tax asset adjustment, exchange rate differences related to revaluation of assets and liabilities denominated in non-dollar currencies, other acquisition-related expenses and changes in taxes related items.

These non-GAAP measures should be considered in addition to, and not as a substitute for, comparable GAAP measures. The non-GAAP results and a full reconciliation between GAAP and non-GAAP results is provided in the accompanying Table 2. The Company provides these non-GAAP financial measures because it believes they present a better measure of the Company's core business and management uses the non-GAAP measures internally to evaluate the Company's ongoing performance. Accordingly, the Company believes they are useful to investors in enhancing an understanding of the Company's operating performance.

Safe Harbor Statement

This release contains forward-looking statements, which express the current beliefs and expectations of Company management. Such statements involve a number of known and unknown risks and uncertainties that could cause our future results, performance or achievements to differ significantly from the results, performance or achievements set forth in such forward-looking statements. Important factors that could cause or contribute to such differences include risks relating to: our accounts receivables, including our ability to collect outstanding accounts and assess their collectability on a quarterly basis; our ability to meet expectations with respect to our financial guidance and outlook; our ability to compete successfully with other companies offering competing technologies; the loss of one or more significant customers; consolidation of, and strategic alliances by, our competitors; government regulation; the timing of completion of key project milestones which impact the timing of our revenue recognition; lower demand for key value-added services; our ability to keep pace with advances in technology and to add new features and value-added services; managing lengthy sales cycles; operational risks associated with large projects; our dependence on fourth party channel partners for a material portion of our revenues; and other factors discussed under the heading "Risk Factors" in the Company's annual report on Form 20-F filed with the Securities and Exchange Commission. Forward-looking statements in this release are made pursuant to the safe harbor provisions contained in the Private Securities Litigation Reform Act of 1995. These forward-looking statements are made only as of the date hereof, and the company undertakes no obligation to update or revise the forward-looking statements, whether as a result of new information, future events or otherwise.

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TABLE - 1
ALLOT LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. dollars in thousands, except share and per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Revenues	\$ 25,047	\$ 32,772	\$ 46,173	\$ 64,668
Cost of revenues	7,707	10,242	15,358	20,034
Gross profit	<u>17,340</u>	<u>22,530</u>	<u>30,815</u>	<u>44,634</u>
Operating expenses:				
Research and development costs, net	10,752	12,480	21,246	24,510
Sales and marketing	10,522	12,220	21,409	23,909
General and administrative	<u>17,558</u>	<u>4,303</u>	<u>21,518</u>	<u>8,340</u>
Total operating expenses	38,832	29,003	64,173	56,759
Operating loss	(21,492)	(6,473)	(33,358)	(12,125)
Financial and other income, net	985	620	1,779	867
Loss before income tax expenses	<u>(20,507)</u>	<u>(5,853)</u>	<u>(31,579)</u>	<u>(11,258)</u>
Tax expenses	225	380	515	1,102
Net Loss	<u>(20,732)</u>	<u>(6,233)</u>	<u>(32,094)</u>	<u>(12,360)</u>
Basic net loss per share	\$ (0.55)	\$ (0.17)	\$ (0.85)	\$ (0.34)
Diluted net loss per share	\$ (0.55)	\$ (0.17)	\$ (0.85)	\$ (0.34)
Weighted average number of shares used in computing basic net loss per share	<u>37,743,328</u>	<u>36,827,197</u>	<u>37,583,412</u>	<u>36,684,017</u>
Weighted average number of shares used in computing diluted net loss per share	<u>37,743,328</u>	<u>36,827,197</u>	<u>37,583,412</u>	<u>36,684,017</u>

TABLE - 2
ALLOT LTD.
AND ITS SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. dollars in thousands, except per share data)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2023	2022	2023	2022
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
GAAP cost of revenues	\$ 7,707	\$ 10,242	\$ 15,358	\$ 20,034
Share-based compensation (1)	(348)	(338)	(879)	(519)
Amortization of intangible assets (2)	(194)	(152)	(387)	(304)
Non-GAAP cost of revenues	<u>\$ 7,165</u>	<u>\$ 9,752</u>	<u>\$ 14,092</u>	<u>\$ 19,211</u>
GAAP gross profit	\$ 17,340	\$ 22,530	\$ 30,815	\$ 44,634
Gross profit adjustments	542	490	1,266	823
Non-GAAP gross profit	<u>\$ 17,882</u>	<u>\$ 23,020</u>	<u>\$ 32,081</u>	<u>\$ 45,457</u>
GAAP operating expenses	\$ 38,832	\$ 29,003	\$ 64,173	\$ 56,759
Share-based compensation (1)	(2,077)	(1,831)	(5,014)	(4,187)
Non-GAAP operating expenses	<u>\$ 36,755</u>	<u>\$ 27,172</u>	<u>\$ 59,159</u>	<u>\$ 52,572</u>
GAAP financial and other income	\$ 985	\$ 620	\$ 1,779	\$ 867
Exchange rate differences*	(238)	(316)	(281)	(389)
Expenses related to M&A activities (3)	14	-	28	-
Non-GAAP Financial and other income	<u>\$ 761</u>	<u>\$ 304</u>	<u>\$ 1,526</u>	<u>\$ 478</u>
GAAP taxes on income	\$ 225	\$ 380	\$ 515	\$ 1,102
Changes in tax related items	(25)	(50)	(50)	(50)
Non-GAAP taxes on income	<u>\$ 200</u>	<u>\$ 330</u>	<u>\$ 465</u>	<u>\$ 1,052</u>
GAAP Net Loss	\$ (20,732)	\$ (6,233)	\$ (32,094)	\$ (12,360)
Share-based compensation (1)	2,425	2,169	5,893	4,706
Amortization of intangible assets (2)	194	152	387	304
Expenses related to M&A activities (3)	14	-	28	-
Exchange rate differences*	(238)	(316)	(281)	(389)
Changes in tax related items	25	50	50	50
Non-GAAP Net income (loss)	<u>\$ (18,312)</u>	<u>\$ (4,178)</u>	<u>\$ (26,017)</u>	<u>\$ (7,689)</u>
GAAP Loss per share (diluted)	\$ (0.55)	\$ (0.17)	\$ (0.85)	\$ (0.34)
Share-based compensation	0.06	0.06	0.16	0.13
Amortization of intangible assets	0.01	0.00	0.01	0.00
Expenses related to M&A activities	0.00	-	0.00	-
Changes in taxes and headcount related items	-	-	-	0.00
Exchange rate differences*	(0.01)	(0.00)	(0.01)	(0.00)
Non-GAAP Net income (loss) per share (diluted)	<u>\$ (0.49)</u>	<u>\$ (0.11)</u>	<u>\$ (0.69)</u>	<u>\$ (0.21)</u>
Weighted average number of shares used in computing GAAP diluted net loss per share	<u>37,743,328</u>	<u>36,827,197</u>	<u>37,583,412</u>	<u>36,684,017</u>
Weighted average number of shares used in computing non-GAAP diluted net loss per share	<u>37,743,328</u>	<u>36,827,197</u>	<u>37,583,412</u>	<u>36,684,017</u>

* Financial income or expenses related to exchange rate differences in connection with revaluation of assets and liabilities in non-dollar denominated currencies.

TABLE - 2 cont.
ALLOT LTD.
AND ITS SUBSIDIARIES
RECONCILIATION OF GAAP TO NON-GAAP CONSOLIDATED STATEMENTS OF OPERATIONS
(U.S. dollars in thousands, except per share data)

	Three Months Ended				Six Months Ended			
	June 30,				June 30,			
	2023	2022	2023	2022	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
(1) Share-based compensation:								
Cost of revenues	\$ 348	\$ 338	\$ 879	\$ 519				
Research and development costs, net	754	844	1,956	1,689				
Sales and marketing	733	619	1,770	1,532				
General and administrative	590	368	1,288	966				
	<u>\$ 2,425</u>	<u>\$ 2,169</u>	<u>\$ 5,893</u>	<u>\$ 4,706</u>				
(2) Amortization of intangible assets								
Cost of revenues	\$ 194	\$ 152	\$ 387	\$ 304				
	<u>\$ 194</u>	<u>\$ 152</u>	<u>\$ 387</u>	<u>\$ 304</u>				
(3) Expenses related to M&A activities								
Financial income	\$ 14	\$ -	\$ 28	\$ -				
	<u>\$ 14</u>	<u>\$ -</u>	<u>\$ 28</u>	<u>\$ -</u>				

TABLE - 3
 ALLOT LTD.
 AND ITS SUBSIDIARIES
 CONSOLIDATED BALANCE SHEETS
 (U.S. dollars in thousands)

	June 30, 2023	December 31, 2022
	(Unaudited)	(Audited)
ASSETS		
CURRENT ASSETS:		
Cash and cash equivalents	\$ 15,473	\$ 12,295
Short-term bank deposits	30,065	68,765
Restricted deposits	1,274	1,050
Available-for-sale marketable securities	19,061	4,293
Trade receivables, net (net of allowance for credit losses of \$17,365 and \$2,908 on June 30, 2023 and December 31, 2022, respectively)	29,445	44,167
Other receivables and prepaid expenses	7,023	7,985
Inventories	18,360	13,262
Total current assets	<u>120,701</u>	<u>151,817</u>
LONG-TERM ASSETS:		
Severance pay fund	361	371
Operating lease right-of-use assets	3,937	5,387
Trade receivables, net	4,767	4,934
Other assets	1,058	864
Total long-term assets	<u>10,123</u>	<u>11,556</u>
PROPERTY AND EQUIPMENT, NET	12,149	14,236
GOODWILL AND INTANGIBLE ASSETS, NET	<u>34,791</u>	<u>35,344</u>
Total assets	<u><u>\$ 177,764</u></u>	<u><u>\$ 212,953</u></u>
LIABILITIES AND SHAREHOLDERS' EQUITY		
CURRENT LIABILITIES:		
Trade payables	\$ 9,460	\$ 11,661
Deferred revenues	20,427	20,825
Short-term operating lease liabilities	2,103	2,542
Other payables and accrued expenses	21,173	25,573
Total current liabilities	<u>53,163</u>	<u>60,601</u>
LONG-TERM LIABILITIES:		
Deferred revenues	6,384	7,285
Long-term operating lease liabilities	1,475	2,579
Accrued severance pay	1,003	940
Convertible debt	39,673	39,575
Total long-term liabilities	<u>48,535</u>	<u>50,379</u>
SHAREHOLDERS' EQUITY	<u>76,066</u>	<u>101,973</u>
Total liabilities and shareholders' equity	<u><u>\$ 177,764</u></u>	<u><u>\$ 212,953</u></u>

TABLE - 4
ALLOT LTD.
AND ITS SUBSIDIARIES
CONSOLIDATED STATEMENTS OF CASH FLOWS
(U.S. dollars in thousands)

	Three Months Ended				Six Months Ended			
	June 30,		June 30,		2023		2022	
					(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)
Cash flows from operating activities:								
Net Loss	\$	(20,732)	\$	(6,233)	\$	(32,094)	\$	(12,360)
Adjustments to reconcile net income to net cash used in operating activities:								
Depreciation		1,327		1,332		2,647		2,746
Stock-based compensation		2,425		2,169		5,893		4,706
Amortization of intangible assets		277		235		553		470
Increase in accrued severance pay, net		13		26		73		20
Decrease (Increase) in other assets		168		19		(194)		436
Decrease (Increase) in accrued interest and amortization of premium on marketable securities		(166)		16		(147)		48
Changes in operating leases, net		290		(191)		(93)		(563)
Decrease (Increase) in trade receivables		10,403		(4,082)		14,889		(4,807)
Decrease (Increase) in other receivables and prepaid expenses		300		141		1,161		(893)
Decrease (Increase) in inventories		(1,645)		591		(5,098)		(1,164)
Decrease in trade payables		(2,941)		(1,433)		(2,202)		(937)
Increase (Decrease) in employees and payroll accruals		(1,042)		523		(2,494)		(1,963)
Increase (Decrease) in deferred revenues		870		287		(1,299)		1,129
Decrease in other payables, accrued expenses and other long term liabilities		(923)		(1,252)		(1,824)		(1,523)
Amortization of issuance costs of Convertible debt		49		49		98		71
Net cash used in operating activities		(11,327)		(7,803)		(20,131)		(14,584)
Cash flows from investing activities:								
Decrease (Increase) in restricted deposit		(224)		260		(224)		380
Redemption of (Investment in) short-term deposits		21,700		520		38,700		(25,180)
Purchase of property and equipment		(290)		(1,281)		(560)		(2,556)
Investment in available-for sale marketable securities		(9,584)		-		(18,567)		-
Proceeds from redemption or sale of available-for sale marketable securities		590		2,872		3,960		6,030
Net cash provided by (used in) investing activities		12,192		2,371		23,309		(21,326)
Cash flows from financing activities:								
Proceeds from exercise of stock options		-		15		-		250
Issuance of convertible debt		-		-		-		39,404
Net cash provided by financing activities		-		15		-		39,654
Increase (Decrease) in cash and cash equivalents		865		(5,417)		3,178		3,744
Cash and cash equivalents at the beginning of the period		14,608		20,878		12,295		11,717
Cash and cash equivalents at the end of the period		\$ 15,473		\$ 15,461		\$ 15,473		\$ 15,461

Other financial metrics (Unaudited)

U.S. dollars in millions, except number of full time employees, % of top-10 end-customers out of revenues and number of shares

	Q2-2023		YTD 2023		FY 2022	
Revenues geographic breakdown						
Americas	8.0	32%	10.4	22%	21.8	18%
EMEA	12.7	51%	26.1	57%	71.2	58%
Asia Pacific	4.3	17%	9.7	21%	29.7	24%
	25.0	100%	46.2	100%	122.7	100%
Revenue breakdown by type						
Products	11.0	44%	17.8	39%	61.1	50%
Professional Services	1.7	7%	3.6	8%	11.6	9%
SECaS (Security as a Service)	2.4	10%	4.7	10%	7.2	6%
Support & Maintenance	9.9	39%	20.1	43%	42.8	35%
	25.0	100%	46.2	100%	122.7	100%
Revenues per customer type						
CSP	20.4	82%	37.5	81%	98.3	80%
Enterprise	4.6	18%	8.7	19%	24.4	20%
	25.0	100%	46.2	100%	122.7	100%
% of top-10 end-customers out of revenues	54%		49%		44%	
Total number of full time employees (end of period)	684		684		749	
Non-GAAP Weighted average number of basic shares (in millions)	37.7		37.7		37.0	
Non-GAAP weighted average number of fully diluted shares (in millions)	40.1		40.1		39.5	

SECaS (Security as a Service) revenues- U.S. dollars in millions (Unaudited)

Q2-2023:	2.4
Q1-2023:	2.3
Q4-2022:	2.2
Q3-2022:	1.7
Q2-2022:	1.7

SECaS ARR* (annualized recurring revenues)- U.S. dollars in millions (Unaudited)

Jun. 2023:	9.7
Dec. 2022:	9.2
Dec. 2021:	5.2
Dec. 2020:	2.7

*ARR: annualized recurring SECaS revenues, calculated based on the monthly revenues multiplied by 12